Wednesday 9th April 2008

National Treasury Management Agency

Ireland successfully re-opens the Euro government bond market with the largest syndicated transaction in 4 years

The Republic of Ireland (Aaa/AAA/AAA) has on 8 April 2008 launched a new syndicated bond. The new EUR 7 billion benchmark matures on 18 June 2019, pays a coupon of 4.4%, and was priced at a spread of 50 bp over the 4% BUND due January 2018. Joint lead managers were Barclays Capital, Calyon, Davy Capital Markets, Deutsche Bank and RBS. Co-leads were Citigroup, HSBC and ING.

Background

- Ireland's National Treasury Management Agency (NTMA) announced at the end of last year the financing programme for Ireland for the period 2008-2010, anticipating a gross amount of approximately EUR 22 billion to re-finance EUR 6 billion of maturing debt and to fund cumulative projected budget deficits of approximately EUR 16.4 billion.
- On the back of regular demand seen at the 10-year point of the curve in the previous week, Ireland decided to issue its first syndicated benchmark of the year. Taking advantage of the positive market, the NTMA announced a long 10-year due 2019 that allows Ireland to provide a new liquid reference point on their yield curve.

Execution

- The mandate was announced on Thursday 3rd April, with the intention to launch the new syndicated transaction in the coming weeks, subject to market conditions.
- The positive market tone on Monday 7th April convinced Ireland to open the books on the same day, and the book-building process started at 9am London time, with initial price guidance of Bund 4% Jan-18 + 50/53 bp.
- From the beginning of the process, the transaction attracted strong interest, accumulating orders for €4 billion just in the first hour of book-building. By midday the book had approached the €8 billion mark and it was decided to revise the guidance to Bund +50 bp at 1.30pm and announce the closing of the books for 3.30pm the same day.
- This decision accelerated the orders flow, and the books closed at 3.30pm as communicated, with a global final order book size of over €13 billion.
- The transaction priced on Tuesday just after 1pm London time, at a spread of 50 bps over the Bund 4% Jan-18, at the tight end of the pricing guidance, thanks to around 90% of the orders being at the re-offer level.
- In order to satisfy the strong demand from real money investors, the size of the issue was set at €7 billion. This therefore avoided under-allocating a sizeable portion of Ireland's loyal investor base and met with the favourable response of the market.
- With a coupon of 4.4% and a re-offer yield of 4.514%, this transaction allowed Ireland to obtain competitive financing terms. Indeed, the coupon is slightly lower than the very successful issue executed in October 2007.

Market impact

- Investors' response to the transaction was excellent in all respects and highlights the importance of the strong credit quality and scarcity value associated with Ireland in the Euro government bond market.
- The pace of the book-building process was even more impressive considering the recent market volatility and uncertainties surrounding the global economic circumstances and international financial markets in particular.
- This successful issue also demonstrates the NTMA's ability to choose the right issuance window to ensure a positive outcome for the transaction.

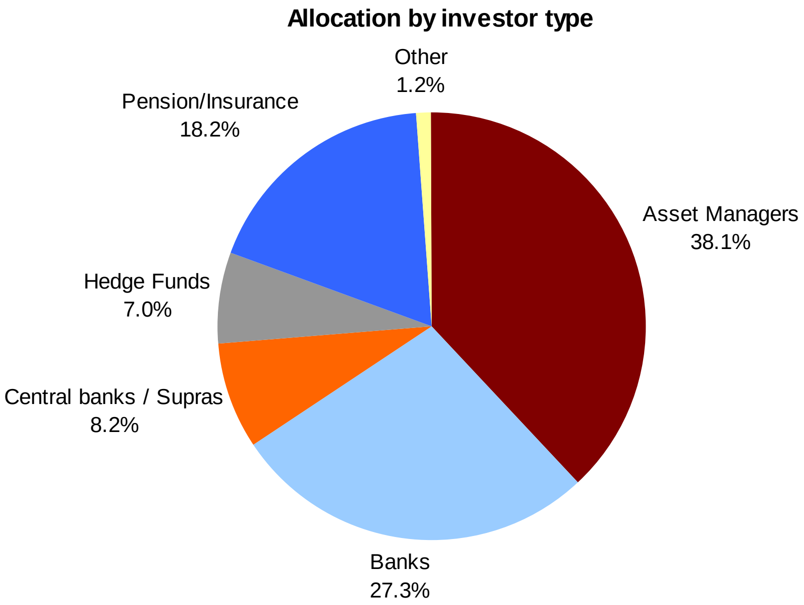
Distribution

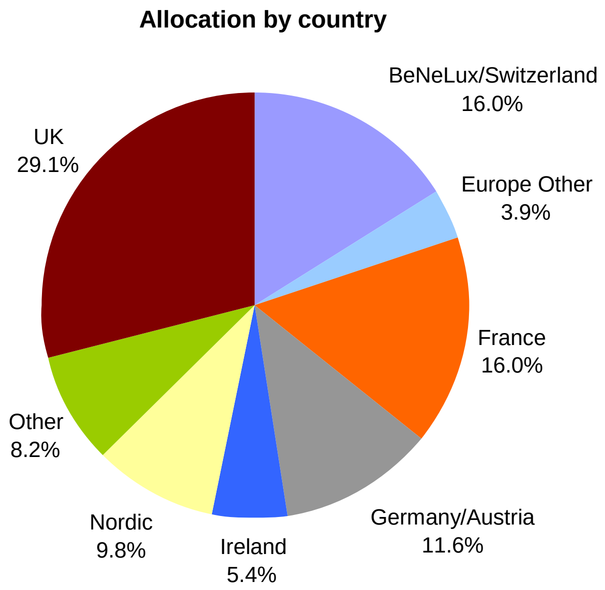
- Over 180 investors participated in a book almost twice oversubscribed, one of the largest and most diversified in 2008, especially on the 10-year part of the curve.
- The transaction was evenly distributed across Europe, with a strong presence in particular of UK accounts (29%) as well as investors from France (16%), the Benelux and Switzerland (16%), Germany/Austria (12%) and the Nordic region (10%). The transaction has also seen significant demand from outside Europe (8%), in particular from Asia and North America.
- Distribution was also excellent in terms of investor base, with a particularly strong presence of real money investors.
- Asset managers took up 38% of the issue, followed by banks with 27%, and pension funds and insurance companies with 18%. Central banks and supranational institutions were also present, with approximately 8%.
- The distribution highlights the international appeal of the Irish name, with over 94% of the bonds allocated outside Ireland. It also underlines the renewed willingness of real money investors (in particular asset managers, insurance companies and pension funds) to participate in the 10-year part of the curve.

Issuer's comment

Dr Michael J. Somers, Chief Executive of the National Treasury management Agency said:" This issue has been a magnificent success, especially in such difficult market conditions. We are particularly pleased with the level of demand by strategic long term investors in a broad range of European countries. We were persuaded by the intensity of the demand from high quality real money investors to increase the size of the issue to an unprecedented €7 billion."

DISTRIBUTION ANALYSIS





Euro 7 billion Republic of Ireland 4.40% due June 2019

Final Terms and Conditions

Issuer:	**Republic of Ireland** **acting through the National Treasury Management Agency**
Ratings:	Aaa/AAA/AAA (Stable/Stable/Stable)
Status:	Senior, unsubordinated
Principal Amount:	Euro 7 Billion
Pricing Date:	8 April 2008
Settlement Date:	15 April 2008
Maturity Date:	18 June 2019
Coupon:	4.40% (Annual; payable each 18 June). Following Business Day Convention. Short first coupon on 18 June 2008
Benchmark:	DBR 4.00% Jan 2018
Benchmark Reference Price:	99.86%
Benchmark Reference Yield pa:	4.014%
Reoffer Spread to Benchmark:	+50bps
Reoffer Yield pa:	4.514%
Reoffer Price:	99.030%
Day Count Convention:	Actual/Actual ICMA
Listing:	Irish Stock Exchange
Governing Law:	Irish
Denominations:	Registered Form in multiples of 1 Euro cent
ISIN Number:	IE00B2QTFG59
Bookrunners:	Barclays Capital, Calyon, Davy, Deutsche Bank, RBS